

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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:
In re : **Chapter 11**
:
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
:
Debtors.¹ : **(Jointly Administered)**
:
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**SECOND ORDER GRANTING APPLICATIONS OF PROFESSIONALS FOR
INTERIM ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Upon consideration of each of the applications (each, an “**Application**” and collectively, the “**Applications**”) filed by those professionals identified on **Schedule A** hereto (each, an “**Applicant**” and collectively, the “**Applicants**”) under 11 U.S.C. § 331 and, as applicable 11 U.S.C. § 328(a), for interim allowance of compensation for professional services rendered and reimbursement of expenses incurred during the periods identified on **Schedule A**; and the Court having jurisdiction to consider the Applications and the relief requested therein in accordance with 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the Amended Standing Order of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Applications and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Applications and the deadline for filing objections to the relief requested therein having been provided; and there being no remaining objections to the relief granted herein; and upon the record of the hearing held by the Court on October 23, 2019; and the Court having found and determined that all of the applicable requirements of sections 327, 328, 330, and 331 of title 11 of the United States Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York, the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, effective February 5, 2013 (as adopted by General Order M-447), and the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (ECF No. 796) have been satisfied with respect to each of the Applications; and it appearing that the services rendered and expenses incurred by each of the Applicants for which compensation and reimbursement are allowed hereby were actual, reasonable and necessary; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Applications are granted as set forth on **Schedule A** hereto.
2. The Debtors are authorized and directed upon entry of this Order to remit payment to each of the Applicants in the amounts set forth on **Schedule A** hereto less all amounts previously paid on account of such fees and expenses set forth on **Schedule B**; provided, that nothing herein alters the Court's Order confirming the Debtors' chapter 11 plan.

3. Nothing set forth in this Order shall preclude the review of the Applications by the Court-appointed independent fee examiner in these cases (the “**Fee Examiner**”) contemplated by the *Order Authorizing Appointment of Independent Fee Examiner Pursuant to 11 U.S.C. § 105(a) and Modifying Interim Compensation Procedures for Certain Professionals Employed Pursuant to 11 U.S.C. § 327* (ECF No. 3307), and the Fee Examiner hereby reserves all rights with respect thereto in connection with the approval of any final fee applications for such professional.

4. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: October 24, 2019
White Plains, New York

/s/Robert D. Drain
THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

Schedule A

Case No. 18-23538 (RDD)
In re Sears Holdings Corporation, *et al.*

INTERIM FEE APPLICATIONS

(1) APPLICANT	(2) APPLICATION DATE AND DOCKET NO.	(3) FEE PERIOD	(4) FEES REQUESTED	(5) FEES ALLOWED	(6) FEES TO BE PAID UNDER ORDER ¹	(7) EXPENSES REQUESTED	(8) EXPENSES ALLOWED	(9) EXPENSES TO BE PAID UNDER ORDER ²
Akin Gump Strauss Hauer & Feld LLP. (Counsel for the UCC)	August 14, 2019 ECF No. 4846	03/01/19 - 06/30/19	\$5,741,021.50	\$5,741,021.50	\$5,741,021.50	\$817,560.08	\$817,560.08	\$817,560.08
Young Conaway Stargatt & Taylor, LLP (Conflicts Counsel for the Debtors)	August 16, 2019 ECF No. 4862	03/01/19 - 06/30/19	\$99,614.50	\$99,614.50	\$99,614.50	\$1,497.52	\$1,497.52	\$1,497.52
Houlihan Lokey Capital, Inc. (Investment Banker for the UCC)	August 14, 2019 ECF No. 4842	03/01/19 - 06/30/19	\$625,000.00	\$625,000.00	\$625,000.00	\$1,169.82	\$1,169.82	\$1,169.82
FTI Consulting Inc. (Financial Advisor for the UCC)	August 14, 2019 ECF No. 4841	03/01/19 - 06/30/19	\$1,273,385.00	\$1,273,385.00	\$1,273,385.00	\$7,979.71	\$7,979.71	\$7,979.71
Prime Clerk LLC (Administrative Agent for the Debtors)	August 14, 2019 ECF No. 4840	03/01/19 - 06/30/19	\$30,579.85	\$30,579.85	\$30,579.85	\$0.00	\$0.00	\$0.00
Evercore Group L.L.C. (Investment Banker for the Debtors)	August 14, 2019 ECF No. 4837	03/15/19 - 07/14/19	\$400,000.00	\$400,000.00	\$400,000.00	\$0.00	\$0.00	\$0.00
Alvarez & Marsal North America, LLC (Financial Advisors for the Debtors)	August 13, 2019 ECF No. 4828	03/01/19 - 06/30/19	\$103,407.50	\$103,407.50	\$103,407.50	\$146.74	\$146.74	\$146.74

¹ Subject to amounts previously paid by the Debtors.

² *Id.*

(1) APPLICANT	(2) APPLICATION DATE AND DOCKET NO.	(3) FEE PERIOD	(4) FEES REQUESTED	(5) FEES ALLOWED	(6) FEES TO BE PAID UNDER ORDER ¹	(7) EXPENSES REQUESTED	(8) EXPENSES ALLOWED	(9) EXPENSES TO BE PAID UNDER ORDER ²
Stout Risius Ross, LLC (Real Estate Consultant and Advisor for the Debtors)	August 14, 2019 ECF No. 4835	03/01/19 - 06/30/19	\$19,404.50	\$19,404.50	\$19,404.50	\$0.00	\$0.00	\$0.00
Paul, Weiss, Rifkind, Wharton & Garrison LLP (Conflicts Counsel for the Debtors and Counsel for the Restructuring Subcommittee)	August 14, 2019 ECF No. 4834	03/01/19 - 06/30/19	\$4,973,799.25	\$4,973,799.25	\$4,973,799.25	\$1,160,821.70	\$1,160,821.70	\$1,160,821.70
Deloitte Transactions and Business Analytics LLP (Bankruptcy Advisor for the Debtors)	August 13, 2019 ECF No. 4827	03/01/19 - 06/30/19	\$2,177,270.75	\$2,177,270.75	\$2,177,270.75	\$100,390.95	\$100,390.95	\$100,390.95
Deloitte Tax LLP (Tax Services Provider for the Debtors)	August 14, 2019 ECF No. 4848	03/01/19 - 06/30/19	\$1,385,726.00	\$1,385,726.00	\$1,385,726.00	\$16,890.59	\$16,890.59	\$16,890.59
Deloitte & Touche LLP (Independent Auditor and Advisor for the Debtors)	August 13, 2019 ECF No. 4826	03/01/19 - 06/30/19	\$91,365.50	\$91,365.50	\$91,365.50	\$0.00	\$0.00	\$0.00
Weil, Gotshal & Manges LLP (Attorneys for the Debtors)	August 15, 2019 ECF No. 4860	03/01/19 - 06/30/19	\$14,004,773.50	\$14,004,773.50	\$14,004,773.50	\$477,595.67	\$477,595.67	\$477,595.67
Paul E. Harner and Ballard Spahr LLP (Fee Examiner and Counsel to the Fee Examiner)	August 16, 2019 ECF No. 4844	04/22/19 - 06/30/19	\$273,435.50	\$273,435.50	\$273,435.50	\$1,546.29	\$1,546.29	\$1,546.29
TOTAL			\$31,126,783.35	\$31,126,783.35	\$31,126,783.35	\$2,585,599.07	\$2,585,599.07	\$2,585,599.07

Date Order Signed: October 24, 2019
Initials: RDD USBJ

Schedule B

Case No. 18-23538 (RDD)
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CUMULATIVE FEE APPLICATION TOTALS OCTOBER 15, 2018 THROUGH JUNE 30, 2019				
(1) Applicant	(2) Total Fees Requested	(3) Total Fees Paid	(4) Total Expenses Requested	(5) Total Expenses Paid
Akin Gump Strauss Hauer & Feld LLP. (Counsel for the UCC)	\$26,050,862.50	\$24,902,658.20	\$2,143,244.83	\$2,143,244.83
Young Conaway Stargatt & Taylor, LLP (Conflicts Counsel for the Debtors)	\$339,085.50	\$319,162.60	\$2,883.11	\$2,883.11
Houlihan Lokey Capital, Inc. (Investment Banker for the UCC)	\$9,375,000.00	\$9,250,000.00	\$111,517.76	\$111,517.76
FTI Consulting Inc. (Financial Advisor for the UCC)	\$8,734,303.25	\$8,479,626.25	\$46,324.47	\$46,324.47
Prime Clerk LLC (Administrative Agent for the Debtors)	\$31,561.60	\$25,445.63	\$0.00	\$0.00
Evercore Group L.L.C. (Investment Banker for the Debtors) (“ Evercore ”) ¹	\$1,400,000.00	\$1,320,000.00	\$17,095.30	\$17,095.30
Alvarez & Marsal North America, LLC (Financial Advisors for the Debtors) (“ A&M ”)	\$4,062,757.00	\$4,042,075.50	\$25,821.71	\$25,821.71

¹ The relevant period for Evercore is cumulative from October 15, 2018 through July 14, 2019.

CUMULATIVE FEE APPLICATION TOTALS
OCTOBER 15, 2018 THROUGH JUNE 30, 2019

(1) Applicant	(2) Total Fees Requested	(3) Total Fees Paid	(4) Total Expenses Requested	(5) Total Expenses Paid
Stout Risius Ross, LLC (Real Estate Consultant and Advisor for the Debtors) (“ Stout ”)	\$192,695.50	\$188,814.60	\$6,960.60	\$6,960.60
Paul, Weiss, Rifkind, Wharton & Garrison LLP (Conflicts Counsel for the Debtors and Counsel for the Restructuring Subcommittee)	\$19,351,031.50	\$18,356,271.65	\$1,449,739.58	\$1,449,739.58
Deloitte Transactions and Business Analytics LLP (Bankruptcy Advisor for the Debtors)	\$7,687,123.50	\$7,253,269.35	\$362,237.05	\$362,237.05
Deloitte Tax LLP (Tax Services Provider for the Debtors)	\$4,653,049.25	\$4,377,400.05	\$83,323.28	\$83,073.60
Deloitte & Touche LLP (Independent Auditor and Advisor for the Debtors)	\$2,416,136.00	\$2,397,862.90	\$47,154.66	\$47,154.66
Weil, Gotshal & Manges LLP (Attorneys for the Debtors)	\$54,709,967.25	\$51,916,212.55	\$2,050,458.49	\$2,050,458.49
Paul E. Harner and Ballard Spahr LLP (Fee Examiner and Counsel to the Fee Examiner)	\$273,435.50	\$218,748.40	\$1,546.29	\$1,546.29

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